



**COUNTY OF ERIE**  
**STEFAN I. MYCHAJLIW**  
**COMPTROLLER**

TO: Robert Keating, Director of Budget & Management

FROM: Stefan I. Mychajliw, Comptroller

DATE: January 9<sup>th</sup>, 2013

SUBJECT: Union Contract Settlements

In light of recent fiscal problems the county experienced by not having enough money to pay our bills at the beginning of this year, it is critically important for our office to regularly communicate with you concerning more issues out of my control that will impact current cash flow.

There are upcoming "one shot" payments the county must provide some union employees because of previously agreed upon contractual agreements that will negatively impact cash flow. Raises for a new contract will kick in as well.

We have been advised by the Personnel Department that on January 18<sup>th</sup>, 2013, the Teamsters signing bonus and back pay will be paid totaling approximately \$1,369,000.

In addition to the signing bonus, there are raises to be paid in the new Teamsters contract, at an additional estimated 2013 impact of \$1.3 million. This figure does not include fringe benefits and overtime, so the economic impact will be higher.

The Civil Service Employees Union (CSEA) Corrections Officers contract provisions will also impact cash flow this year, costing approximately an additional \$770,692 in 2013. This figure also does not include fringe benefits and overtime impact.

We know the Erie County Fiscal Stability Authority (ECFSA) will pay for the CSEA Corrections Officers 2013 raises through an efficiency grant. But as you are well aware, we need to come up with the cash first, fill out a formal reimbursement claim to the ECFSA, and they will give us the money back at a later date. We still need the cash now, upfront.

These three economic factors **will negatively impact the 2013 cash flow to the tune of \$3,439,692**. Please advise if these contracts are covered in the 2013 budget or do you recommend we add this to the 2013 cash flow.

I also want to support Erie County Executive Mark Poloncarz's public position, as reported in the Buffalo News, that would not grant *"any additional pay raises for 2007 or lump sum back pay 'due to the state of the county's finances,'" as it pertains to the possibility that the Erie County Legislature will provide a one-year salary adjustment to some CSEA members.*

Legally the Legislature can impose a salary adjustment and increase wages. I wholeheartedly understand how hard our employees work on behalf of taxpayers. These dedicated individuals have gone without raises for many years, while their bills at home are going up. We should reward our workers, however we must respect taxpayers. We should always offer our workers raises they deserve, but ones that taxpayers can afford. Any raises for employees should come through negotiations and be met with concessions on benefits that save taxpayer dollars.

At this time, it appears as though the county's cash crunch is very serious. We should err on the side of caution and keep county spending to a minimum.